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# DEPARTMENT OF LIVESTOCK

Montana State Library



MARC RACICOT, GOVERNOR

## STATE OF MONTANA

(406) 444-2875 MILK CONTROL BUREAU

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### BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

PUBLISHED: December 4, 1998  
EFFECTIVE: January 1, 1999  
12:01 a.m.

#### PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

#### CLASS I PRICE FOR MILK TESTING 3.5%

\$19.39 /CWT

#### EFFECTIVE JANUARY 1, 1999:

The minimum price to pay milk producers, under ARM 32.24.301, is \$19.39 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of thirteen and one-half cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.35.

#### CLASS I BUTTERFAT PRICE PER POUND

\$1.35 /LB

#### PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

#### CLASS II PRICE FOR MILK TESTING 3.5%

\$12.88 /CWT

Average spray process dry milk solids

price per pound	=	\$1.13880
Multipled by 8.2	x	8.2

STATE DOCUMENTS COLLECTION

\$9.33816

PLUS +

Last quote of the month for Grade AA butter

\$1.12800

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minus a differential of \$.0895	
Multipled by 4.2	x
	4.2

\$4.73760

+ \$4.73760

LESS 8.5% ( \$14.07576 X .085)

\$14.07576

- \$1.19644

\$12.87932

Rounded to the nearest whole cent = \$12.88 /hundredweight.

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**CLASS II BUTTERFAT PRICE PER POUND** \$1.25 /LB

Butterfat differential	(	\$1.12800	X .111	)	=	\$0.12521
Rounded to the nearest half cent					=	\$0.125

**CLASS II VALUE OF ONE POUND OF SKIM** 0.088134715 /LB

Butterfat value per pound	=	\$1.25		
for milk at 3.5% test:				
Hundredweight price of milk testing 3.5%		=	\$12.88	
LESS 3.5 pounds of butterfat at	\$1.25 per pound	-	<u>\$4.375</u>	
Value of 96.5 pounds of skim		=	\$8.505	
Value of one pound of skim	(	8.505 / 96.5 pounds)	=	\$0.08813 /LB

**PRODUCER CLASS III PRICE IN MONTANA**

REF: ARM 32.24.301(5)

**CLASS III BUTTERFAT PRICE PER POUND** \$1.02 /LB

Last quote of the month for Grade AA butter						
minus a difference of \$.0895	=	\$1.12800				
LESS 10%		<u>\$0.11280</u>				
			\$1.01520			

Rounded to the nearest whole cent = \$1.02 per pound.

**CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED** 7.75067 /CWT

Avg. spray process dry milk solid price/lb =	\$1.13880					
Multiplied by 8.2	<u>8.2</u>					
		\$9.33816				
LESS 17%		<u>\$1.58749</u>				
			\$7.75067			

Rounded to the nearest whole cent = \$7.75 per hundredweight.

**CLASS III PRICE PER CWT FOR MILK TESTING 3.5%** \$11.05 /CWT

3.5 pounds of butterfat	x	\$1.02 per pound =	\$3.570		
96.5 pounds of skim		<u>\$0.07751 per pound =</u>	<u>\$7.480</u>		
				\$11.050	/CWT

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Marlys M. Koontz  
 Marlys M. Koontz, Program Specialist  
 Montana Milk Control Bureau

**BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES**

CLASS I SKIM PRICE BASED ON \$19.39 FOR 3.5% MILK 96.5 LBS = \$14.665		CLASS II SKIM PRICE BASED ON \$12.88 FOR 3.5% MILK 96.5 LBS = \$8.505		CLASS III SKIM PRICE BASED ON \$11.05 FOR 3.5% MILK 96.5 LBS = \$7.480	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.15041	2.50	\$0.08723	2.50	\$0.07672
2.55	\$0.15049	2.55	\$0.08728	2.55	\$0.07675
2.60	\$0.15056	2.60	\$0.08732	2.60	\$0.07679
2.65	\$0.15064	2.65	\$0.08737	2.65	\$0.07683
2.70	\$0.15072	2.70	\$0.08741	2.70	\$0.07687
2.75	\$0.15080	2.75	\$0.08746	2.75	\$0.07691
2.80	\$0.15087	2.80	\$0.08750	2.80	\$0.07695
2.85	\$0.15095	2.85	\$0.08755	2.85	\$0.07699
2.90	\$0.15103	2.90	\$0.08759	2.90	\$0.07703
2.95	\$0.15111	2.95	\$0.08764	2.95	\$0.07707
3.00	\$0.15119	3.00	\$0.08768	3.00	\$0.07711
3.05	\$0.15126	3.05	\$0.08773	3.05	\$0.07715
3.10	\$0.15134	3.10	\$0.08777	3.10	\$0.07719
3.15	\$0.15142	3.15	\$0.08782	3.15	\$0.07723
3.20	\$0.15150	3.20	\$0.08786	3.20	\$0.07727
3.25	\$0.15158	3.25	\$0.08791	3.25	\$0.07731
3.30	\$0.15165	3.30	\$0.08795	3.30	\$0.07735
3.35	\$0.15173	3.35	\$0.08800	3.35	\$0.07739
3.40	\$0.15181	3.40	\$0.08804	3.40	\$0.07743
3.45	\$0.15189	3.45	\$0.08809	3.45	\$0.07747
3.50	\$0.15197	3.50	\$0.08813	3.50	\$0.07751
3.55	\$0.15205	3.55	\$0.08818	3.55	\$0.07755
3.60	\$0.15213	3.60	\$0.08823	3.60	\$0.07759
3.65	\$0.15221	3.65	\$0.08827	3.65	\$0.07763
3.70	\$0.15228	3.70	\$0.08832	3.70	\$0.07767
3.75	\$0.15236	3.75	\$0.08836	3.75	\$0.07771
3.80	\$0.15244	3.80	\$0.08841	3.80	\$0.07775
3.85	\$0.15252	3.85	\$0.08846	3.85	\$0.07779
3.90	\$0.15260	3.90	\$0.08850	3.90	\$0.07783
3.95	\$0.15268	3.95	\$0.08855	3.95	\$0.07787
4.00	\$0.15276	4.00	\$0.08859	4.00	\$0.07791
4.05	\$0.15284	4.05	\$0.08864	4.05	\$0.07795
4.10	\$0.15292	4.10	\$0.08869	4.10	\$0.07799
4.15	\$0.15300	4.15	\$0.08873	4.15	\$0.07804
4.20	\$0.15308	4.20	\$0.08878	4.20	\$0.07808
4.25	\$0.15316	4.25	\$0.08883	4.25	\$0.07812
4.30	\$0.15324	4.30	\$0.08887	4.30	\$0.07816
4.35	\$0.15332	4.35	\$0.08892	4.35	\$0.07820
4.40	\$0.15340	4.40	\$0.08896	4.40	\$0.07824
4.45	\$0.15348	4.45	\$0.08901	4.45	\$0.07828
4.50	\$0.15356	4.50	\$0.08906	4.50	\$0.07832

**PRODUCER CLASS I PRICE IN MONTANA**

Comparison of Class I price in 1997 &amp; 1998

**MONTANA MILK CONTROL BUREAU**

Month	1997	1998	Difference	% Change
January	\$15.51		19.39	\$3.88
February	\$15.84			
March	\$15.80			
April	\$15.87			
May	\$15.36			
June	\$14.56			
July	\$13.43			
August	\$15.65			
September	\$17.32			
October	\$17.54			
November	\$17.65			
December	\$18.59			
Average	\$16.09	\$19.39	\$3.88	25.02%

**PRODUCER CLASS I PRICE IN MONTANA**

Comparison of class I price in 1997 &amp; 1998

